

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 INRE-00 USIE-00 AID-05
CEA-01 CIAE-00 COME-00 EA-07 FRB-03 INR-07 IO-13
NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00 LAB-04
SIL-01 AGRE-00 OMB-01 STR-04 L-03 /085 R

DRAFTED BY EB/IFD/OIA:RJSMITH
APPROVED BY EB/IFD/OIA:RJSMITH
EUR/RPE:RSGELBARD
-----131534Z 055641 /46
O R 131523Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS IMMEDIATE
INFO ALL OECD CAPITALS

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E.O. 11652: N/A

TAGS: EINV, BE

SUBJE BAGDER BELGIUM CASE

1. IN CONVERSATIONS WITH DEPARTMENT BADGER VICE PRESIDENT GUSTAVE WUNDER DESCRIBED LAST WEEK'S MEETINGS WITH UNION OFFICIALS AND MINISTER EYSKENS AS CONSTRUCTIVE. HE SAID THEY HAD AGREED ON A BASIS OF CALCULATING CLAIMS AGAINST BADGER WHICH WOULD GIVE THEM A COMMON FIGURE ON WHICH TO BASE FURTHER DISCUSSIONS. BAKER AND MCKENZIE ARE DOING THE CALCULATIONS, TO BE REVIEWED BY BADGER AND THE UNIONS.

2. WUNDER SAID HE WAS ENCOURAGED BY AN APPARENT TONING DOWN OF THE BELGIAN GOVERNMENT'S PRESS CAMPAIGN AGAINST THEM, EVEN THOUGH SOME MISLEADING AND PREJUDICIAL ARTICLES WERE STILL BEING PUBLISHED.

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3. ACCORDING TO WUNDER, EYSKENS INDICATED THAT HE RECOGNIZED THE EQUITY OF MAKING ADJUSTMENTS IN SEVERANCE PAY OBLIGATIONS TO TAKE ACCOUNT OF EMPLOYEES WHO QUICKLY FOUND NEW EMPLOYMENT, PARTICULARLY THOSE KEPT ON IN OTHER BADGER OPERATIONS. OTHER OFFSETS WERE DISCUSSED, INCLUDING A POSSIBLE WAIVING OF SOCIAL SECURITY PAYMENTS OTHERWISE

PAYABLE IN CONNECTION WITH SEVERANCE PAYMENTS.

4. THE ONE JARRING NOTE WAS EYSKENS MESSAGE THAT THE PUBLIC PROSECUTOR WAS INVESTIGATING THE POSSIBILITY OF BRINGING FRAUDULENT BANKRUPTCY CHARGES AGAINST CERTAIN BADGER OFFICIALS. WUNDER ASSERTED THE COMPLETE GROUNDLESSNESS OF SUCH A CHARGE, AND EYSKENS INDICATED THAT REGARDLESS OF THE MERITS, IT WOULD BE AWKWARD FOR BADGER TO DEAL WITH SUCH CHARGES IN THE PRESENT POLITICALLY CHARGED ATMOSPHERE.

5. WUNDER AND EXECUTIVE VICE PRESIDENT PHILIP SEAVER ARE SCHEDULED TO MEET WITH EYSKENS AGAIN ON APRIL 20. THEY PLAN TO BE IN BRUSSELS ON APRIL 19 AND INTEND TO CALL RUTH PHILLIPS OR JOHN RENNER TO ARRANGE TO BRIEF THE EMBASSY.

6. ACTION REQUESTED: REQUEST THAT EMBASSY MEET WITH WUNDER AND SEAVER AND KEEP US INFORMED OF DEVELOPMENTS IN THE BADGER CASE. WE WOULD BE PARTICULARLY INTERESTED IN ANY FURTHER INFORMATION THE EMBASSY MAY HAVE REGARDING THE POSSIBILITY OF FRAUDULENT BANKRUPTCY CHARGES BEING BROUGHT AGAINST BADGER. FYI BADGER HAS NOT YET MADE A CORPORATE DECISION TO MAKE ADDITIONAL FUNDS AVAILABLE TO HELP MEET THE OBLIGATIONS OF ITS BELGIAN SUBSIDIARY AND IS SERIOUSLY CONCERNED ABOUT THE PRECEDENTIAL IMPLICATIONS OF SUCH EXTRA-LEGAL PAYMENTS. ITS WILLINGNESS TO PURSUE SUCH A POSSIBILITY STEMS FROM ITS INTEREST IN REPAIRING THE DAMAGE THAT HAS BEEN DONE TO ITS REPUTATION AND HINGES LIMITED OFFICIAL USE

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ON BELGIUM'S READINESS TO COOPERATE IN UNDERTAKING SUCH A REPAIR JOB.
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, DIPLOMATIC DISCUSSIONS, BUSINESS FIRMS, BANKRUPTCIES
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE082570
Document Source: CORE
Document Unique ID: 00
Drafter: RJSMTIH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770128-0403
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770461/aaaacaug.tel
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Litigation Code IDs:
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Litigation History:
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Message ID: 694e35a6-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Reference: n/a
Retention: 0
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Review Content Flags:
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Review Exemptions: n/a
Review Media Identifier:
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Review Withdrawn Fields: n/a
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Status: NATIVE
Subject: E BAGDER BELGIUM CASE
TAGS: EINV, BE, BADGER BELGIUM, (WUNDER, GUSTAVE), (EYSKENS, MARC)
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